

**CHAPTER NO. 151**

**SENATE BILL NO. 712**

**By Cooper, Clabough, Atchley**

Substituted for: House Bill No. 1156

By Hagood, McDaniel, Ronnie Cole, Lewis, Bittle, Monttgomery, Buttry

AN ACT To amend Tennessee Code Annotated, Title 56, Chapter 32, relative to health maintenance organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-32-202, is amended by adding the following new definition to be appropriately designated:

( ) "Coinsurance" means an enrollee's share of covered medical expenses when an enrollee and the health maintenance organization share in a specific ratio of the covered medical expenses. Provided, however, coinsurance shall not expand the ability of a health maintenance organization to offer out-of-network benefits except as otherwise provided in this part.

SECTION 2. Tennessee Code Annotated, Section 56-32-204(a)(2), is amended by deleting the present language in its entirety and by substituting instead the following:

(2) The health maintenance organization will effectively provide or arrange for the provision of basic health care service on a prepaid basis through insurance or otherwise, except to the extent of reasonable enrollee cost sharing requirements such as copayments, deductibles or coinsurance. Provided however, for basic health care services through participating in-network providers, the enrollee's cost share shall not exceed twenty percent (20%).

SECTION 3. Tennessee Code Annotated, Section 56-32-207(a)(3)(B)(ii), is amended by deleting the present language in its entirety and by substituting instead the following:

Any limitation on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible, copayment or coinsurance feature;

SECTION 4. This act shall take effect on July 1, 2001, the public welfare requiring it.

PASSED: April 30, 2001

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 3<sup>rd</sup> day of May 2001

  
DON SUNDQUIST, GOVERNOR